



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, DC 20460

9/26/03

OFFICE OF POLICY, ECONOMICS, AND
INNOVATION

Keith Wojciechowski
Environmental Engineer
Headquarters
One Johnson & Johnson Plaza
New Brunswick, NJ 08933

Dear Mr. Wojciechowski:

Last spring, Governor Whitman asked EPA's Assistant Administrators to recommend additional incentives that would encourage participation in the Performance Track program. She directed the Assistant Administrators to promote the program's goals of reducing transaction costs and increasing flexibility for members, thus allowing them to achieve higher levels of environmental results.

I want to report to you on the preliminary results of that request. We are pleased with the recommendations and believe that they have the potential of reducing costs and uncertainty while increasing your ability to achieve your business and environmental goals. Examples of the recommendations in each category include:

- Priority for flexible air permits and streamlined procedures for water permit renewals, both of which should lower administrative costs and reduce uncertainty associated with permitting processes;
- Reduced monitoring and record keeping in hazardous waste and water regulatory programs, which would save resources that are currently dedicated to preparing and verifying reports; and
- Use of performance-based standards in several hazardous waste programs, to give facilities more discretion and flexibility in deciding how to achieve the desired environmental result.

These recommendations will require additional analysis regarding their legal and administrative feasibility and their practical value to Performance Track members. Please keep in mind that regulatory changes do take time, and many of these involve modifications in state programs as well. Nevertheless, I am confident that some of these proposed initiatives will prove to be feasible and of sufficient value to pursue.

I will provide a more detailed statement of the current state of benefits for members in late October. This will include information on the recognition benefits of the program (including signs of recognition within the investment community) and of the status of the regulatory and program changes described here. The Performance Track team and I will provide regular updates on these proposed program changes and will solicit your ideas on these and other options on a regular basis.

Sincerely,

A handwritten signature in black ink, appearing to read "Jessica Furey". The signature is fluid and cursive, with the first letter of each word being capitalized and prominent.

Jessica Furey
Associate Administrator

Attachment

Incentives Recommendations from EPA Program Offices

Incentive recommendation	Why it has value	Status
Air		
<u>Priority Flexible Permits for PT facilities</u> Workshop for PT facilities, soliciting candidates, screening applicants, developing several flexible permits	Provides PT facilities as Agency's priority for these permits. Permits are more efficient, more flexible, and cost less for facilities, and eventually Agencies.	Planning for PT facility workshop in early November in Dallas
<u>Regional expertise capacity building</u> While developing flexible permits, we will train EPA staff to lead future projects.	Provides EPA with greater capacity to develop flexible permits, will be able to develop more permits concurrently.	Select EPA staff invited as permit teams assembled during next twelve months
Water		
<u>Reduced monitoring and reporting</u> – encourage reduced compliance monitoring and reporting as appropriate for PT facilities; encourage reduced compliance monitoring in exchange for ambient monitoring of the waterway	Reduce monitoring and reporting requirements of well-performing facilities	Options and content development underway with the Office of Water
<u>Permit streamlining</u> – encourage permitting authorities to identify PT facilities as high priority for streamlining permit issuance	Expedite and/or streamline review and renewal of NPDES permits	
<u>Effluent guidelines</u> – explore feasibility of deferring PT facilities from consideration for new or revised effluent guidelines if sufficient numbers of facilities within a sector are members of PT and reducing water discharges	If industry sector is substantially involved in PT, that sector may be passed over when EPA considers whether to develop or revise the effluent guidelines for that sector	
<u>State Revolving Fund</u> – encourage states to offer more favorable terms on State Revolving Fund loans where appropriate, such as for publicly owned treatment works and reductions in nonpoint source pollution	Encourage states to offer more favorable terms to PT members. May attract POTWs and other sources to program; helps to address water pollution problems from POTWs and nonpoint sources	

Incentive recommendation	Why it has value	Status
Waste		
<u>Permit streamlining</u> - (regulatory change). Provides PT facilities ability to make substantive changes under class 1 instead of class 3	Allows facilities to speed process changes with fewer or shorter permitting delays	Added to EPA's regulatory Agenda in September, 2003
<u>Site lead cleanups</u> – (several options to implement). Provides performance-based corrective action agreements instead of detailed administrative orders, builds on innovative approaches developed in regions 1, 3 and 5	Provides performance based approach that allows more flexibility in determining how to conduct cleanup	Discussions within PTrack RCRA workgroup
<u>Generator standards</u> (regulatory change). Could provide performance standards for HW generators instead of more detailed requirements	Provides performance-based approach that reduces the number of requirements	Added to EPA's regulatory Agenda in September, 2003
<u>Tank standards</u> – (regulatory change). Reduces detailed, prescriptive requirements to much shorter performance standards	Provides performance-based approach that allows facilities to meet the requirements more efficiently	
<u>RCRA air regulations</u> - (regulatory change). Provides PT facilities with waivers or deferrals from RCRA air requirements as long as controls and management practices are equivalent, meet NESHAPS	Reduces duplicative requirements between CAA and RCRA	